

Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

June New Business Volume Up 3 Percent Year-over-year and 47 Percent Month-to-month, Down 7 Percent Year-to-date

Washington, DC, July 26, 2016— The [Equipment Leasing and Finance Association's](#) (ELFA) [Monthly Leasing and Finance Index \(MLFI-25\)](#), which reports economic activity from 25 companies representing a cross section of the \$1 trillion equipment finance sector, showed their overall new business volume for June was \$10.0 billion, up 3 percent year-over-year from new business volume in June 2015. Volume was up 47 percent month-to-month from \$6.8 billion in May. Year to date, cumulative new business volume decreased 7 percent compared to 2015.

Receivables over 30 days were 1.4 percent, an increase from the previous month and up from 1.02 percent in the same period in 2015. Charge-offs were 0.65 percent, up from 0.33 percent the previous month.

Credit approvals totaled 78.1 percent in June, up from 76.5 percent in May. Total headcount for equipment finance companies was up 3.0 percent year over year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) for July is 52.5, steady with the June index of 52.3.

[ELFA President and CEO Ralph Petta](#) said, "New business volume experienced a healthy increase in June, eclipsing a similarly strong year-ago month. In fact, June's originations were the largest since end-of-year 2015, when business activity in the equipment finance sector typically spikes upward. However, volume for the year thus far is still down when compared to last year at this time. This uneven performance appears to reflect the trend toward continued slow economic growth and volatile equity markets in the U.S., as well as troubling international events that are causing business owners to approach capital investment decisions with a wary eye. A decline in portfolio quality contributes to a narrative of an equipment finance market trying to gain its footing in the face of a volatile economy amidst a recent period of uncertain political and social unrest."

[Alan Sikora, CEO, First American Equipment Finance, a City National Bank Company](#), said, "After several challenging months, the U.S. equipment leasing and finance industry experienced growth in June. At First American Equipment Finance, we saw strong year-over-year growth in June and in the first six months of 2016. More and more clients are concluding that equipment leasing is an efficient, cost-effective and convenient way to acquire the equipment they need. From an industry perspective, it is encouraging to see U.S. businesses increase their investments in capital equipment and software, despite political uncertainty and global macroeconomic events."

About the ELFA's MLFI-25

The MLFI-25 is the only index that reflects capex, or the volume of commercial equipment financed in the U.S. The MLFI-25 is released globally at 8 a.m. Eastern time from Washington, D.C., each month on the day before the U.S. Department of Commerce releases the [durable goods report](#). The MLFI-25 is a financial indicator that complements the durable goods report and other economic indexes, including the [Institute for Supply Management Index](#), which reports economic activity in the manufacturing sector. Together with the MLFI-25 these reports provide a complete view of the status of productive assets in the U.S. economy: equipment produced, acquired and financed.

The MLFI-25 is a time series that reflects two years of business activity for the 25 companies currently participating in the survey. The latest MLFI-25, including methodology and participants, is available at www.elfaonline.org/Data/MLFI/

MLFI-25 Methodology

The ELFA produces the MLFI-25 survey to help member organizations achieve competitive advantage by providing them with leading-edge research and benchmarking information to support strategic business decision making.

The MLFI-25 is a barometer of the trends in U.S. capital equipment investment. Five components are included in the survey: new business volume (originations), aging of receivables, charge-offs, credit approval ratios, (approved vs. submitted) and headcount for the equipment finance business.

The MLFI-25 measures monthly commercial equipment lease and loan activity as reported by participating ELFA member equipment finance companies representing a cross section of the equipment finance sector, including small ticket, middle-market, large ticket, bank, captive and independent leasing and finance companies. Based on hard survey data, the responses mirror the economic activity of the broader equipment finance sector and current business conditions nationally.

About ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$1 trillion equipment finance sector, which includes financial services companies and manufacturers engaged in financing capital goods. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad. Its 580 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packageers and investment banks, as well as manufacturers and service providers. For more information, please visit www.elfaonline.org.

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ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit www.elfaonline.org/Data/ for additional information.

The Equipment Leasing & Finance Foundation is a 501c3 non-profit organization dedicated to inspiring thoughtful innovation and contributing to the betterment of the equipment leasing and finance industry. Funded through charitable individual and corporate donations, the Foundation focuses on the development of in-depth, independent research and resources for the advancement of equipment finance industry knowledge. Visit the Foundation online at www.LeaseFoundation.org.

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